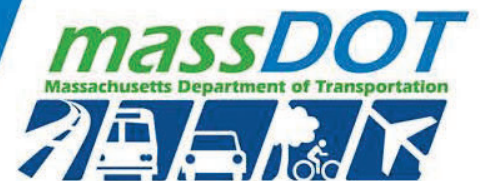




MassDOT

FY20 Non-Toll Operating Preliminary
March 13, 2019

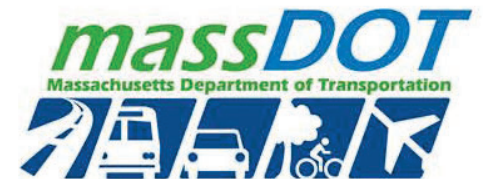


Overview and Schedule

- This presentation will walk the Board through preliminary FY20 Non-Toll Operating budget and key assumptions .
- Schedule from here:
 - Today – FY20 H1 filing and assumptions
 - April meeting – FY20 operational highlights
 - May meeting – strategic hiring discussion
 - June meeting – final budget approval vote

FY20 Budget Highlights

- The budget maintains headcount at 3,600 FTEs
- Requires withdrawals from MTTF non-toll operating reserves
- Funds projected increase costs for payroll and fringe
- Budget for snow and ice to more closely cover historic average expenditures, lessening the need to rely on a state supplemental budget. Historically, MassDOT has relied heavily on supplemental state funding to cover under-budgeted Snow and Ice expenses. Additionally, FY20 budget proposes a separate line item for snow and ice to improve transparency for this program.
- Key challenges:
 - Continued management of overtime while increasing staffing levels
 - Reserve balance drawn down
 - Historical reliance on supplemental appropriations to fully fund snow and ice



Commonwealth Transfer Fund

(\$'s In Millions)

Commonwealth Transportation Fund Transfer	Actual FY 15	Actual FY 16	Actual FY 17	Actual FY 18	GAA FY 19	H.1 FY 20	H.1 FY20 vs. FY19 GAA	% Change
MassDOT								
Operations (1595-6368)								
Non Snow & Ice	275.8	265.2	267.0	241.6	285.5	288.9	3.4	1.2%
Snow & Ice	48.6	51.3	62.1	61.7	73.0	105.0	32.0	43.8%
Snow & Ice Supplement	81.5	0.0	63.8	50.2	0.0	0.0	0.0	0.0%
Total Operations (1595-6368)	405.9	316.5	392.9	353.6	358.5	393.9	35.4	9.9%
RTAs (1595-6370)	80.0	82.0	82.0	80.4	88.0	86.0	(2.0)	(2.3%)
MRB (1595-6379)	9.3	9.6	9.7	9.4	9.8	9.8	0.0	0.0%
Total MassDOT	495.1	408.0	484.6	443.4	456.3	489.6	33.4	7.3%

- FY20 H1 recommendation of \$489.7M for MassDOT is a \$33.4M or (7.3%) net increase above FY19 General Appropriation Act (GAA):
 - \$3.4 million, or 1.2% increase for MassDOT non-Snow and Ice operations
 - \$32.0 million, or 43.8% increase in up front Snow and Ice funding above FY19 GAA to be consistent with historical spending and reduce reliance on supplemental funding
 - \$2.0 million decrease in RTA contract assistance, related to one time support in FY 19

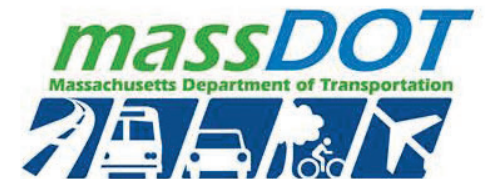


Commonwealth Transfer Fund cont.

(\$'s In Millions)

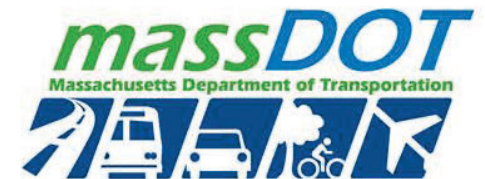
Commonwealth Transportation Fund Transfer	Actual FY 15	Actual FY 16	Actual FY 17	Actual FY 18	GAA FY 19	H.1 FY 20	H.1 FY20 vs. FY19 GAA	% Change
MassDOT								
Operations (1595-6368)	405.9	316.5	392.9	353.6	358.5	288.9	(69.7)	(19.4%)
Snow & Ice (1599-6378)	0.0	0.0	0.0	0.0	0.0	105.0	105.0	0.0%
TOTAL	405.9	316.5	392.9	353.6	358.5	393.9	35.3	9.9%

- FY 20 budget proposes a separate line item for snow and ice removal (\$105 million) to improve transparency for this important program
- This line item allows the department to meet service levels while reducing a need for supplemental appropriations, a historical reoccurrence as winter conditions often exceed budgeted funding
- The new line item supports current service levels to avoid having severe winter conditions impact funding available for other programs
- Proposal does not change MassDOT's authority to reimburse with supplemental filing



Financial Statement

\$ in millions	FY19 Budget	FY20 Prelim Budget	\$ Variance	% Variance
REVENUE:				
Commonwealth Transfer Fund (CTF):				
Non-Snow & Ice (Operations) (1595-6368)	285.5	288.9	3.3	1.2%
Snow & Ice (1599-6378)	73.0	105.0	32.0	43.8%
Merit Rating Board (1595-6379)	9.8	9.8	0.0	0.0%
RTA Contract Assistance (1595-6370)	88.0	86.0	(2.0)	(2.3%)
Total Commonwealth Transfer Fund (CTF)	456.3	489.6	33.3	7.3%
Commonwealth Transfer Fund (CTF) Supplement:				
Snow & Ice	31.7	0.0	(31.7)	(100.0%)
Internal Resources:				
MTTF Revenues	28.2	23.6	(4.6)	(16.3%)
MVITF Revenue	40.5	43.5	3.0	7.4%
Reserve Draws (Operations)	0.0	23.6	23.6	0%
Reserve Draws (MRB)	0.7	0.0	(0.7)	(100.0%)
Reserve Draws (Snow & Ice)	5.3	0.0	(5.3)	(100.0%)
Total Internal Resources	74.7	90.7	16.0	21.4%
TOTAL REVENUE	562.7	580.3	17.6	3.1%
EXPENSE:				
Operations				
Non-Snow & Ice	316.6	341.9	25.3	8.0%
Snow & Ice	110.0	105.0	(5.0)	(4.5%)
TOTAL Operations	426.6	446.9	20.3	4.8%
Merit Rating Board	10.4	9.8	(0.7)	(6.4%)
RTA Contract Assistance	88.0	86.0	(2.0)	(2.3%)
TOTAL EXPENSE	525.0	542.7	17.6	3.4%
Net REVENUE (EXPENSE)/In Support of Capital	37.7	37.7	0.0	0.0%



Revenue

\$ in millions	FY19 Budget	FY20 Prelim Budget	\$ Variance	% Variance
REVENUE:				
Commonwealth Transfer Fund (CTF):				
Non-Snow & Ice (Operations) (1595-6368)	285.5	288.9	3.3	1.2%
Snow & Ice (1599-6378)	73.0	105.0	32.0	43.8%
Merit Rating Board (1595-6379)	9.8	9.8	0.0	0.0%
RTA Contract Assistance (1595-6370)	88.0	86.0	(2.0)	(2.3%)
Total Commonwealth Transfer Fund (CTF)	456.3	489.6	33.3	7.3%
Commonwealth Transfer Fund (CTF) Supplement:				
Snow & Ice	31.7	0.0	(31.7)	(100.0%)
Internal Resources:				
MTTF Revenues	28.2	23.6	(4.6)	(16.3%)
MVITF Revenue	40.5	43.5	3.0	7.4%
Reserve Draws (Operations)	0.0	23.6	23.6	0%
Reserve Draws (MRB)	0.7	0.0	(716)	(100.0%)
Reserve Draws (Snow & Ice)	5.3	0.0	(5.3)	(100.0%)
Total Internal Resources	74.7	90.7	16.0	21.4%
TOTAL REVENUE	562.7	580.3	17.6	3.1%

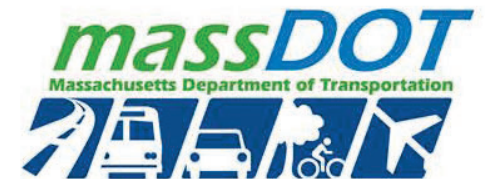
- Commonwealth Transfer Fund (CTF) increased \$32.0M in Snow and Ice funding above FY19 GAA to be consistent with historical spending and reduce reliance on supplemental funding
- Internal Revenue Resources
 - (\$4.6M) MTTF Revenues decreased compared to FY19 GAA
 - (\$4.0M) loss of one-time sales transactions and (\$0.6M) MBTA lease
 - \$3.0M MVITF Revenue increased compared to FY19 GAA
 - Anticipated \$24.6M reserve drawn to cover increased expenses



Expense

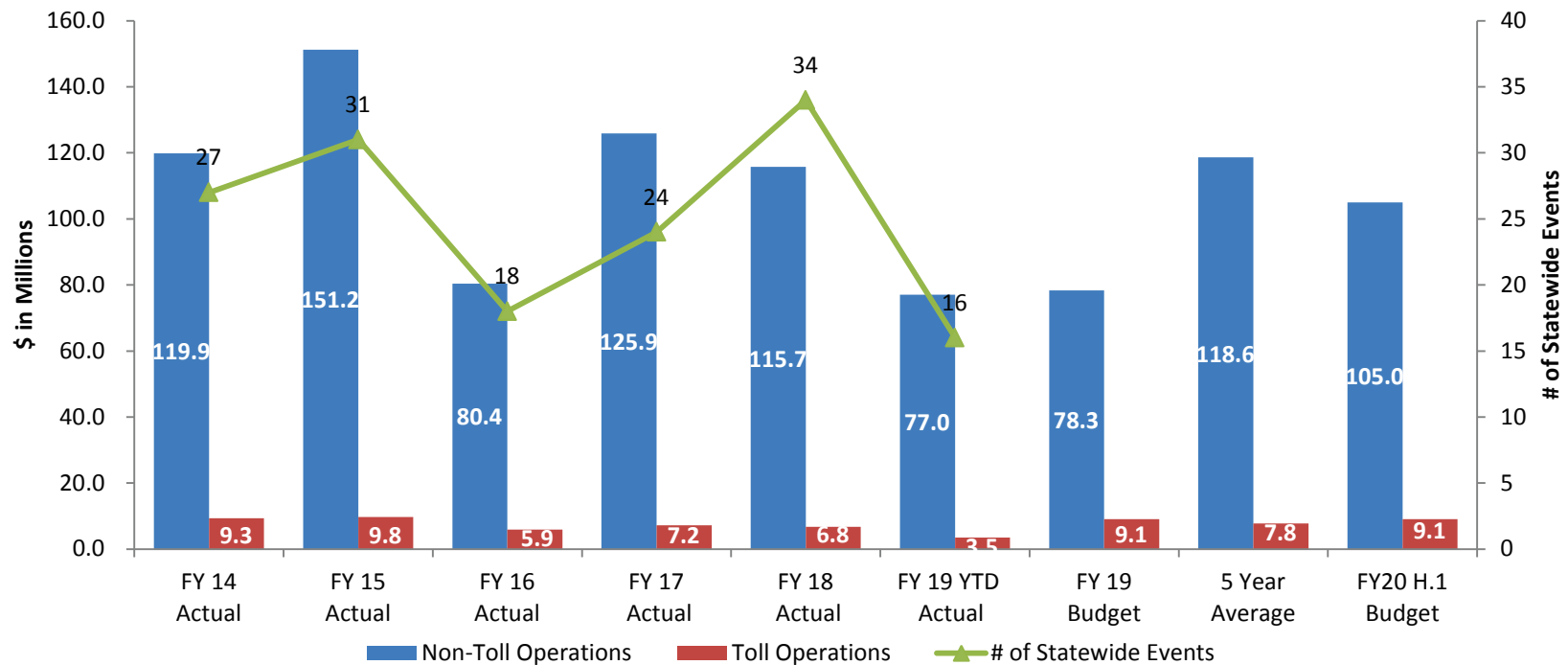
\$ in millions	FY19 Budget	FY20 Prelim Budget	\$ Variance	% Variance
EXPENSE:				
Operations				
Non-Snow & Ice	316.6	341.9	25.3	8.0%
Snow & Ice	110.0	105.0	(5.0)	(4.5%)
TOTAL Operations	426.6	446.9	20.3	4.8%
Merit Rating Board	10.4	9.8	(0.7)	(6.4%)
RTA Contract Assistance	88.0	86.0	(2.0)	(2.3%)
TOTAL EXPENSE	525.0	542.7	17.6	3.4%

- \$25.3M Non-Snow & Ice Operation increased compared to FY19 Budget due mainly to Payroll costs related to fringe, manager and bargaining unit increases, overtime and bargaining unit reclassification for Highway
- \$5M Snow & Ice decreased compared to FY19 Budget



Historical Snow and Ice

(\$ in Millions)	FY 14 Actual	FY 15 Actual	FY 16 Actual	FY 17 Actual	FY 18 Actual	FY 19 YTD Actual	FY 19 Budget	5 Year Average	FY20 H.1 Budget
Non-Toll Operations	119.9	151.2	80.4	125.9	115.7	77.0	78.3	118.6	105.0
Toll Operations	9.3	9.8	5.9	7.2	6.8	3.6	9.1	7.8	9.1
Total Expenditures	129.2	161.0	86.3	133.1	122.5	80.6	87.4	126.4	114.1
# of Statewide Events	27	31	18	24	34	16			



FY19 YTD actual as of 3/5/2019



MassDOT FTE Through Pay Period 3/2/2019

Division	Mar 18 Actual	Apr 18 Actual	May 18 Actual	Jun 18 Actual	Jul 18 Actual	Aug 18 Actual	Sep 18 Actual	Oct 18 Actual	Nov 18 Actual	Dec 18 Actual	Jan 19 Actual	Feb 19 Actual	Mar 19 Actual
Aeronautics	12	13	13	13	13	13	13	13	13	13	13	13	12
Highway	2,274	2,294	2,301	2,311	2,312	2,319	2,335	2,344	2,341	2,340	2,347	2,337	2,332
Planning and Enterprise Services	425	424	420	419	423	423	424	423	421	424	435	431	434
Rail and Transit	12	12	11	10	10	10	9	10	10	11	11	11	11
Registry of Motor Vehicles	746	750	748	774	780	780	783	778	781	773	770	763	762
Total FTE Actual	3,469	3,492	3,493	3,527	3,538	3,545	3,564	3,568	3,566	3,561	3,576	3,555	3,551
Total FTE Actual + Offers/Postings										3,630	3,629	3,602	3,612
FTE Budget	3,590	3,590	3,590	3,590	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600
Open FTE Against Budget	121	98	97	63	62	55	36	32	34	39	24	45	49

